

BUDGET / FACILITIES SUBCOMMITTEE MEETING

MINUTES

Monday, December 16, 2013

Oliver Administration Building

Present

Subcommittee: Susan Rancourt, Chair (6:18 p.m.); Marjorie McBride, and Paul Silva

School Committee, Administration and Staff: John Saviano (7:00 p.m.), Melinda Thies, Mario Andrade, Pauline Silva, and George Simmons

Paul Silva stated for the record that Susan Rancourt would arrive late due to an unexpected delay. He called the meeting to order at 6:03 PM.

Approval of Minutes

MOTION: Marj M. made a motion to approve the November 18, 2013 and December 9, 2013 meeting minutes; seconded by Paul S. The motion passed unanimously.

Old Business

MHHS Summer Projects Update

George S. reported that the MHHS Summer Projects work has finished with the exception of two bi-fold doors in the gymnasium. George S. initially rejected the proposed doors for the project because the hinges were too big. He felt the hinges would be a danger to the children playing in the gym. SMMA is developing a different design for the doors. George S. does not have a timeline for the new door design.

Guiteras and KMS Doors Update

George S. was notified by the contractor that installation time for the doors at Guiteras and KMS will need to be extended to the February break to accommodate materials ordering and delivery. It is anticipated that the project will be completed in it's entirety during the February break.

Field Maintenance Update

There was nothing new to report.

Tutoring Proctor Update

Melinda T. reported that the Tutoring Proctor position has been posted. The posting will close on Tuesday, December 17th. Mario A. said that seven applicants applied for the Tutoring Proctor position; all applicants were from outside of the District. Marj M. asked about the general background of the applicants. Mario A. responded that

most were young educators who have served in substitute teacher positions.

FY14 Budget Update

At this time, Pauline S. said there was nothing new to report regarding the FY14 Budget. Financially, everything is on schedule. Paul S. asked if there were any exceptions or surprises. Pauline S. responded there were no exceptions or surprises.

FY15 Budget Update

Pauline S. reported that the FY15 Budget is currently in its infant stage. She is currently gathering preliminary data. As a result, there is nothing new to report for the FY15 Budget.

Susan Rancourt arrived to the meeting. (6:18 p.m.)

Ray Celone arrived to the meeting (6:20 p.m.)

New Business

Audit Presentation

Pauline S. introduced Ray Celone, Accountant for The Braver Group. Ray C. began his audit presentation by giving an overview on the Report of Independent Auditors. Ray C. said that the presentation of the audit report has changed compared to prior years due to new clarity standards. The audit report is divided into different sections for clarity sake, but basically says the same thing.

Ray C. reviewed the Governmental Funds Audit Report. He commented that the fund balance showed an increase. Under GASB 54, the fund balance would be considered General Funds. Ray C. said that the amount owed by the Town of Warren remained on the Governmental Funds Audit Report as a receivable until the last possible moment. A ruling by the Judge in the Warren litigation case had not been delivered before the FY13 financial books closed. Therefore, this amount could no longer remain on the audit report as a receivable and is now categorized as a contingency. If the amount owed by Warren is eventually received, that dollar amount will be considered as cash inflow next year and will go toward the fund balance. Pauline S. feels once the amount from Warren is received, it would be prudent to assign it to the OPEB liability for FY19. She added that the Subcommittee can make the determination to endorse her recommendation. Ray C. stated if the amount is not received from the Town of Warren, there would be no effect to the School Department.

Ray C. reviewed the Statement of Revenues, Expenses and Changes in Net Position for the Enterprise funds. He commented that the school lunch program showed the largest expense in the business like funds.

Ray C. reviewed the Notes to Basic Financial Statements - Fund Balances, which is in accordance to GASB 54. This report includes amounts for Non-Spendable Fund Balance; Restricted Fund Balance;

Committed Fund Balance as related to Capital Projects, and future expenditures.

Pauline S. commented that specific funding agencies dictate how the Restricted Funds are spent.

Marj M. asked if the actual projects scheduled for the District actually square with the Capital Projects Fund amount. Pauline S. responded there would not be enough funding for the projects scheduled.

Ray C. reviewed the Notes to Basic Financial Statements – Pensions. He commented there was a big change this year due to the new state law concerning the Pension Reform Act. Ray C. said the changes flow through the Pensions footnote statement.

Ray C. reviewed the Notes to Basic Financial Statements – OPEB. He commented that the District was not required to have an evaluation this year. The Braver Group asked the Actuary to run calculations which are reflected in the OPEB statement. Those calculations show a reduction in the District's OPEB obligation from \$4.2 million to \$3 million.

Ray C. reviewed the Statement of Revenues and Expenditures, Budget and Actual Report. The Town of Warren's deficit is reflected in this report, but otherwise, all variances were positive.

Ray C. reviewed the Single Audit Reports. The first report concerns Government Auditing Standards which showed no significant deficiencies in the financial statements. The purpose of the second report in that series describes the scope of testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133.

There were no further questions from those present. Ray C. stated the audit will be going through a technical review.

Pauline S. closed by stating for the record that it was a pleasure to work with Ray C. and The Braver Group.

MOTION: Marj M. made a motion to approve the FY13 audit; seconded by Paul S. The motion passed unanimously.

JFC Meeting Update

Susan R. asked if a date has been confirmed for the next meeting of the Joint Finance Committee. Paul S. responded he has not received notification of a new meeting date. Susan R. asked Paul S. if he could reach out to Nathan C. to confirm the next JFC meeting date. Paul S. responded that he would make contact with Nathan C. Paul S. added that the future meeting date suggested at the last JFC meeting conflicted with the School Committee's schedule.

Susan R. asked if the School Committee was charged to talk to the

Town Solicitors. Marj M. stated that Paul S. did the right thing by calling a meeting to alert the JFC concerning this year's October 1 enrollment numbers and the potential problems this could cause Warren. She does not have a problem with the School Committee working together with the JFC to develop changes to the Enabling Legislation to alleviate fluctuations in School Funding for the Towns of Bristol and Warren. However, she does not believe it is ultimately up to the School Committee to resolve the Town's problem. Paul S. added he does not see the school funding issue as a JFC problem; it is the individual community's problem. Paul S. believes there should be some communication between the JFC and the School Department to assess what can be done to stabilize the funding fluctuations, but that the School Department does not have the authority to resolve fiscal issues for the municipalities.

Paul S. reiterated any changes to the Enabling Legislation would be the decision of the electorate. There would not be enough time to include proposed changes to the Enabling Legislation on the election ballot this year. Paul S. said the School Department's only responsibility would be to spend less. He said the School Department does not generate income nor does it dictate how income is received; it can only report the needs of the District. Paul S. believes most of the communication concerning the Enabling Legislation should be between the Town Councils of Bristol and Warren. If the School Department and the JFC agree on changes to the Enabling Legislation, ultimately, the two Town Councils must also agree on the change. Paul S. stated the School Department has done

everything it can to alert the Towns of the potential problem due to the current Enabling Legislation protocol of basing school funding on October 1st enrollments. Susan R. feels that due to school funding decreases in state revenues to the district, the School Department would be negatively impacted. As a result, she believes it is important to continue to “fight” to move changes to the Enabling Legislation forward.

Melinda T. said due to the recent JFC meetings, there has been a groundswell of interest in communicating between the JFC and the district; this was not the case in the last few years. It would be important to capitalize on working with the JFC as the FY15 budget is built. The School Department will continue to look for efficiencies in order to make adjustments and to streamline the FY15 Budget. Bristol Warren Regional School District will also continue to be transparent in the Budget process. Melinda T. feels it will be important to communicate with the Town Councils of Bristol and Warren as well as the JFC in the budget process prior to March. Paul S. commented that both Bristol and Warren Town Councils are consistently invited to the Budget Meetings. Paul S. suggested that Susan R. reach out to the Bristol and Warren Town Councils to inform them of Budget Subcommittee meeting dates. . Mario A. stated that before meeting dates are published or announced to the JFC, it will be important to determine what message the School Department is sending through this Budget process. Goals and outcomes should also be in place.

Paul S. commented that Nathan C. has kept the funding process issue at the forefront by scheduling regular JFC meetings. Paul S. will contact Nathan C. to add Susan's update concerning the Bristol Warren Regional Budget process onto the next JFC meeting agenda.

Marj M. requested that the School Committee secretary provide the School Committee with the Town Council agendas when they become available.

Next meeting – January 21, 2014

Adjournment:

MOTION: At 7:20 p.m. Marj M. made a motion to adjourn the meeting; Paul S. seconded. The motion passed unanimously.

kd